

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 04700 050856Z

ACTION NEA-10

INFO OCT-01 AF-10 ARA-14 EA-09 ISO-00 FEA-01 ERDA-07

AID-05 CEA-01 CIAE-00 COME-00 EPG-02 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-04 USIA-15 OES-07 SP-02 SS-15

STR-04 TRSE-00 ACDA-10 IO-14 JUSE-00 PA-02 PRS-01

/165 W

-----053457 050911Z /16

P R 050645Z JUL 77

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 8825

INFO AMEMBASSY ABU DHABI

USINT BAGHDAD

AMEMBASSY DOHA

AMEMBASSY TEHRAN

AMEMBASSY MANAMA

AMEMBASSY KUWAIT

AMEMBASSY CARACAS

AMEMBASSY TRIPOLI

AMEMBASSY ALGIERS

AMEMBASSY JAKARTA

AMEMBASSY QUITO

AMEMBASSY LIBREVILLE

AMEMBASSY LAGOS

AMCONSUL DHAHRAN

UNCLAS JIDDA 4700

E.O. 11652: N/A

TAGS: ENRG, SA

SUBJ: SAUDIS AND UAE RAISE OIL PRICE

1. A JOINT SAUDI-UNITED ARAB EMIRATE STATEMENT WAS
ISSUED IN RIYADH ON JULY 4 AT THE END OF A VISIT BY
UAE OIL MINISTER OTAYBA. THE STATEMENT READS: QUOTE
"A MEETING WAS HELD IN RIYADH ON SUNDAY, JULY 3,
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BETWEEN DR. MANEI, SAID AL-OTAIBA, MINISTER OF PETROLEUM
AND MINERAL WEALTH OF THE UNITED ARAB EMIRATES, AND SHEIKH
AHMAD ZAKI YAMANI, SAUDI ARABIA'S MINISTERS OF PETROLEUM
AND MINERAL WEALTH, TO STUDY THE PRICE LEVEL OF OIL
PRODUCED IN THE TERRITORIES OF THEIR COUNTRIES, IN LIGHT
OF THE DECISION BY MOST OF THE OPEC MEMBER COUNTRIES.
NOT TO RAISE THEIR PRICES AS HAD BEEN EARLIER DECIDED.

"AS THE GOVERNMENTS OF THE TWO COUNTRIES BELIEVE IN THE NEED FOR UNITY AND SOLIDARITY IN OPEC AND HAVE A SENSE OF RESPONSIBILITY TOWARDS THE WORLD ECONOMY IN GENERAL AND OF THE EMERGING STATES IN PARTICULAR; AND IN VIEW OF THE FACT THAT IF THE GOVERNMENT OF THE TWO COUNTRIES HAD FROZEN THEIR PRICES WHILE THE OTHER STATES APPLIED THE AGREED UPON INCREASE, THE AVERAGE PRICE FOR BUYERS WOULD HAVE RISEN MORE THAN AND WICHING TO SEE THE STANCE OF ALL MEMBERS BECOME MORE MODERATE IN FUTURE DISCUSSIONS OF OIL PRICES THE TWO COUNTRIES HAVE DECIDED AS FOLLOWS:

(1) TO RAISE THE PRICE OF OPEC'S BASE OIL (THE YARDSTICK ON WHICH ALL POSTED PRICES ARE BASED) I.E., ARABIAN LIGHT CRUDE EXPORTED FROM THE PORT OF RAS TANURA, TO THE PRICE LEVEL DECIDED UPON BY THE OTHER MEMBER COUNTRIES OF THE OPEC AT THE DOHA CONFERENCE.

(2) TO RAISE THE PRICE OF OTHER OILS PRODUCED IN THEIR COUNTRIES PROPORTIONATELY. ACCORDING TO THE EQUALIZATION FORMULA FOR PRICE DIFFERENCES APPLIED IN THEIR COUNTRIES.

(3) TO MAKE THE PRICE RISE EFFECTIVE AS OF JULY 1, 1977." END QUOTE

2. SAUDI PRESS COVERAGE OF EARLIER ANNOUNCEMENT BY NINE OPEC MEMBERS HAS BEEN LARGELY LIMITED TO WIRE SERVICES STORY, WITHOUT EDITORIAL COMMENT.

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Message Attributes

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Sent Date: 05-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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From: JIDDA
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